

# WESTERN MINES LIMITED

(NON PERSONAL LIABILITY)

## CONSOLIDATED STATEMENT OF SOURCE AND USE OF WORKING CAPITAL for the six months period ended March 31, 1968

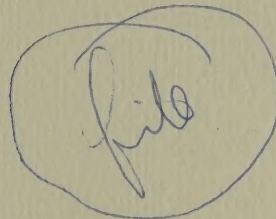
<b>SOURCE</b>		
Net income from operations		\$ 2,104,733.09
Depreciation, which did not represent an outlay of cash	\$ 245,597.97	
Less applied to disposal of fixed assets	27,566.34	
Proceeds from disposal of fixed assets		219,031.63
Received from exercise of employees' stock options		6,417.25
		13,200.00
Total funds		2,343,381.97
<b>USE</b>		
Repaid on bank loan	900,000.00	
Increase in long term debt maturing within one year	826,238.81	
		1,726,238.81
<b>INCREASE IN WORKING CAPITAL</b>		
<b>WORKING CAPITAL DEFICIENCY OCTOBER 1, 1967</b>		617,143.16
<b>WORKING CAPITAL DEFICIENCY MARCH 31, 1968</b>		1,141,461.52
<b>REPRESENTED BY:</b>		\$ 524,318.36
Current liabilities	3,483,203.91	
Current assets	2,966,865.55	
		\$ 524,318.36
<b>Note:</b>		
Current liabilities include:		
Trade liabilities	\$ 450,606.23	
Installments on bank loans and mortgages due within one year	1,135,597.68	
Interest on income debentures	1,146,249.96	
	\$ 3,483,203.91	

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# WESTERN MINES LIMITED

(NON PERSONAL LIABILITY)

One Bentall Centre  
505 Burrard Street  
Vancouver 1, B.C.



## INTERIM REPORT TO SHAREHOLDERS

QUARTER ENDED MARCH 31, 1968

# WESTERN MINES LIMITED

(NON PERSONAL LIABILITY)

To the Shareholders:

The following interim report covering the operations of your Company for the quarter and the six month's period ended March 31, 1968 is submitted for your information. The operations for the quarter ended March 31, 1968 produced a net income of \$1,159,897 compared with \$944,836 for the quarter ended December 31, 1967. The figures are subject to audit.

Mill feed averaged about 875 tons per day, almost entirely from the open pit. Mine development continued at a low level but will be accelerated towards the end of the current quarter-year.

A re-examination of the open pit operation indicates that an additional tonnage of underground reserves may be mined from the pit, thus enabling the present rate of operation to be maintained at least until the end of 1969. This however increases the amount of stripping required, with consequent increased costs.

By the end of March a total of 1¼ million dollars had been invested in short term securities to be available for the payment of debenture interest in June. In addition we have set aside \$400,000.00 which will be available for the next bank loan instalment, payable on July 15, 1968 in the amount of \$860,000.00. This plan of setting aside earnings on a monthly basis will be continued until the bank debt is liquidated. We have managed to keep well ahead of the debt repayment schedule since the terms of the bank loan were renegotiated last summer.

The Department of National Revenue has informed us that income derived from the operation of our mine during the period commencing February 1, 1967 qualifies for the three year tax exemption available to new mines.

April 21, 1968

W. G. JEWITT,  
President

## OPERATING STATISTICS

	Three months ended March 31, 1968	Six months ended March 31, 1968
Tons milled .....	81,123	161,691
Ore grade %		
Copper .....	2.06	1.98
Zinc .....	9.11	9.16
Concentrate grade %		
Copper .....	23.20	22.83
Zinc .....	54.34	53.89
Recoveries %		
Copper .....	78.2	80.5
Zinc .....	82.7	84.0
Average metal prices per pound U.S. cents		
Copper .....	59.2	55.5
Zinc .....	12.0	12.0

## SUMMARY OF EARNINGS

	Three months ended March 31, 1968	Six months ended March 31, 1968
Gross smelter returns .....	\$ 3,004,431	\$ 5,871,844
Less treatment and market charges .....	779,062	1,549,402
	<u>2,225,369</u>	<u>4,322,442</u>
Add U.S. Premium .....	190,607	355,798
Net value of production .....	2,415,976	4,678,240
Operating costs including administration .....	1,036,477	2,017,053
Operating profit .....	<u>1,379,499</u>	<u>2,661,187</u>
Interest and miscellaneous charges, less interest earned .....	103,403	309,856
Net income before depreciation .....	1,276,096	2,351,331
Depreciation .....	116,199	246,598
Net income .....	<u>1,159,897</u>	<u>2,104,733</u>

## SHARES ISSUED AND OUTSTANDING

	4,786,616	4,786,616
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## EARNINGS PER SHARE

24.2c	43.9c
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